Service Plan

2011/12–2013/14

ita
industry training authority

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MESSAGE FROM THE CHAIR

To: The Honourable Ida Chong
Minister of Regional Economic and Skills Development

I am pleased to submit this service plan for fiscal 2011/12 - 2013-14 on behalf of the directors, management and staff of the Industry Training Authority (ITA). This plan addresses a period when we expect economic recovery to once more generate increasing demand for trades occupations, and the ITA will continue to support key initiatives to increase the supply of skilled trades to help build British Columbia's economic future.

At the international level, a large-scale survey in 2010 confirmed that skilled trades continue to be in demand globally, and suggests that competition for skilled labour will intensify as the economic recovery proceeds.[1] Through our commitment to effective and responsive industry training and assessment, we will continue to help position British Columbia to respond to its future demand for skilled trades.

Comprehensive supply-demand expectations, for the roughly eleven per cent of provincial employment accounted for by trade occupations, were recently provided in the inaugural *BC Trade Occupations Outlook* report. This report was prepared by BC Stats for the Ministry of Regional Economic and Skills Development, and covers the ten-year period from 2009-2019 (www.workbc.ca/docs/BC_tradesoccupationoutlook_ 2009-2019.pdf). It incorporates regional projections originating out of the Ministry's Labour Market Scenario Model, and is a component of the broader *BC Labour Market Outlook* report (www.workbc.ca/docs/BCLMOutlook.pdf). This information has informed this plan and enhanced ITA's ability to target training and prioritize program development, to ensure British Columbia has "the right workers with the right skills in the right places at the right time."

The *BC Trade Occupations Outlook* report suggests that the still-uncertain state of the global economy will result in a modestly-paced recovery in British Columbia. As in similar previous situations, the recent recession and its lingering effects have and will continue to impact industry training participation. One indicator is a recent drop in total employer sponsors below the 10,000 threshold first passed in 2007.

Nevertheless, over the next 10 years, the growth in demand for trades labour is expected to outstrip growth of supply unless strategic actions are taken. Even now, the *BC Trade Occupation Outlook* report suggests demand-and-supply discrepancies in some regions and occupations, and we expect more such shortfalls.

We believe training participation will begin to recover in 2011/12 and continue to do so over the next two years. Within this period, however, the overall pace of participation growth is likely to be moderate and to plateau below that of pre-recession levels.

So while this service plan's goals, objectives and measures are consistent with the last two service plans (and with ITA's 2009 strategic plan), we have adjusted some targets downward in light of these short- to medium-term expectations and the employment impact of the recent recession.

Over the next three years, then, ITA will balance two broad imperatives.

1. To use our improved insight on the labour-market outlook as a key tool, to help us focus training and align it more precisely with what may be highly variable and in some cases relatively slow-to-recover region and occupation-specific needs.

[1] Manpower Inc.'s fifth annual Talent Shortage Survey.

2. To maintain a longer-term view, informed by demographic realities and the *BC Trade Occupations Outlook*'s expectation that "the provincial economy will eventually want more trades workers than are predicted to be available". This will call for continued focus on the following key strategic areas (order does not reflect priority):
   - Ensuring operational excellence particularly in the core areas of customer service and program standards
   - Maintaining recent momentum toward national development of occupational performance standards that will support greater availability of enhanced assessment models with sharper focus on practical skills
   - Enhancing collaboration with service-delivery partners – with Industry Training Organizations (ITOs) to foster more employer engagement in apprenticeship training, and with training providers to support the continuous improvement of technical training delivery
   - Improving our understanding of the needs of apprentices and other trainees and challengers in order to support their progress toward certification
   - Continuing to promote careers in the skilled trades, and to enhance brand awareness of ITA and of the value of the credentials it awards

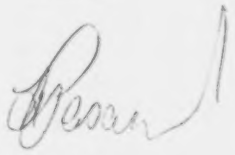
We believe the goals in this plan are achievable through the combination of more targeted spending on training, a heightened awareness of longer-term labour market demands, and continued efforts to work with our partners to develop and implement additional solutions to promote trades careers and trades training in general. Our actions are intended to contribute to the successful achievement of government's recently released *Skills for Growth – British Columbia Labour Market Strategy to 2020* (www.workbc.ca/labour_market_statistics/skills_for_growth.htm).

This service plan was prepared under the board's direction in accordance with the *Budget Transparency and Accountability Act* and the *BC Reporting Principles*. It is consistent with government's strategic priorities and fiscal plan. The board is accountable for its contents, including measure and target selection, and has confidence in all financial and performance-related data included.

Consideration has been given to all significant assumptions, policy decisions, events and identified risks as of January 2011. Measures are consistent with ITA's mandate and goals, and focus on critical aspects of performance. Targets are based on assessments of ITA's past performance, current operating environment, and forecast conditions.

We look forward to collaborating with all of our service-delivery partners and other stakeholders in 2011/12 – the 75th anniversary of trades training in British Columbia – and over the rest of the period covered by this plan. Collectively, we will leverage the unique strengths of British Columbia's training system to both support continued economic recovery, and to effectively address the concern of growing and sustained skills shortages.

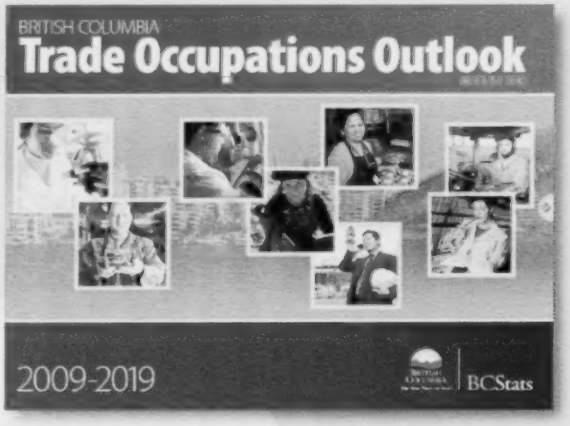
Sincerely,



Frank Pasacreta
Chair, Board of Directors

Noteworthy initiatives and progress since tabling of ITA's last service plan include our having:

- Acquired access to more comprehensive and trade-specific labour market forecasting through the *BC Trade Occupations Outlook* report and other labour market information tools developed by the Ministry of Regional Economic and Skills Development
- Completed an additional alternative assessment pilot in the heavy duty mechanic trade which will further the development of a suite of assessment tools to complement written examinations in a range of trades
- Helped advance national consultations, as a prelude to development and use of Occupational Performance Standards for Red Seal trades which will more closely align training to competencies required in the workplace
- Completed the Standards Improvement Project to provide a comprehensive set of tools to guide program development and approval processes



- Formed the ITA-ITO Leadership Advisory Forum of board chairs and CEOs to enhance collaboration and ensure British Columbia's skills training system is industry-driven
- Made operational changes to improve the availability and service-delivery capacities of our customer service representatives
- Begun to phase in access to the ITADirectAccess information technology platform for ITOs, training providers, sponsors and trainees, which will increase administrative effectiveness and efficiency

ITA customer service representatives

ORGANIZATIONAL OVERVIEW

Mandate and Public Interest

ITA governs British Columbia's industry training system and coordinates the efforts of many stakeholders to continually improve the training experience and outcomes. This includes setting standards, and assessing and credentialing skilled workers.

Effective industry training is a vital aspect of the province's strategy to ensure a strong economy and prosperous society. This is crucial on two levels, contributing to:

- Economic competitiveness, by supplying the skilled labour required to meet industry needs
- Individual employability and mobility by effectively developing and/or recognizing a person's skills and knowledge

On both levels, ITA's mandate and accountabilities are defined in Part 3 of the *Industry Training Authority Act*. Each year, ITA and the minister to whom it reports jointly sign off on a Shareholder's Letter of Expectations that contains more specific direction on ITA's accountabilities and priorities within specific time frames (see page 16).

ITA's Key Business Areas

ITA key business areas are policy and strategy, program standards, customer service, training delivery and assessment and certification. This is supplemented by working closely with Industry Training Organizations (ITOs) and training providers.

ITA maintains a customer-service centre in Vancouver, and works with Service BC to provide information and examination services at locations throughout the province. The ITA's head office is in Richmond.

The senior management team consists of:

Kevin Evans	Chief Executive Officer
Gary Macey	Chief Operating Officer
Jeff Nugent	Executive Lead, Strategy & Policy
Sandy Steward	Executive Lead, Strategic Initiatives
Sue Thomas	Executive Lead, Finance & Corporate Services
Ashifa Dhanani	Senior Lead, Customer Service
Gary McDermott	Senior Lead, Aboriginal Initiatives
Tom Newell	Senior Lead, Program Standards
Jim Pelton	Senior Lead, Training Delivery
Johann Steinmann	Senior Lead, Programs
Jessi Zielke	Senior Lead, Labour Supply Initiatives

Customers and Service-Delivery Partners

In close collaboration with two key service-delivery partners, ITA oversees training in more than 140 industry training programs and issues government-endorsed credentials to individuals who demonstrate that they meet industry-defined standards.

ITA's Customer Groups

Trainees and Challengers – individuals pursuing certification through apprenticeship or pre-apprenticeship programs, or by demonstrating existing skills and knowledge through the challenge process.

Employers/Industry – any employer or group of employers needing workers with skills developed and recognized through participation in formal industry training programs.

ITA's Delivery Partners

ITOs – seven independent, not-for-profit entities that each represent a specific sector and provide input on standards and training delivery, and, on behalf of the ITA, deliver services to trainees and challengers, and to employer-sponsors.

Technical Training Providers – over 50 training providers (including public post-secondary institutions, joint training boards and school districts in the K-12 system) delivering in-school technical training for trades programs.

CORPORATE GOVERNANCE

The nine members of ITA's board of directors are appointed by the minister to whom ITA reports. They act in the organization's best interests, are independent of management and government, and do not represent constituencies. Each serves on one or more of three standing committees on audit, governance and human resources.

The board is guided by governance best practices from the private and public sectors. Detailed governance-related information meeting disclosure recommendations of government's Board Resourcing and Development Office is at: www.itabc.ca/Page59.aspx

Board Role

- Setting vision and strategic direction
- Providing oversight for risk management and resource-use efficiency
- Holding management accountable for defined performance results
- Reporting to government, stakeholders and the public-at-large

Governance Principles

- Director independence
- Clear terms of reference and transparent governance practices
- Rigorous code of conduct
- Continuous governance improvement (annual board assessment, ongoing directors' professional development)

Directors and Committee Responsibilities

Frank Pasacreta (Chair)	Ex-officio member of all committees
Allan Bruce	Governance (Chair), Human Resources
Jack Carthy	Audit (Chair), Governance
Jack W. Davidson	Audit
Tom Kirk	Governance, Human Resources (Chair)
Kurt Krampl	Governance, Human Resources
Patty Sahota	Audit
Suromitra Sanatani	Human Resources
Laura Stanton	Audit

STRATEGIC CONTEXT

Government recently released a *Skills for Growth* strategy, which sets out the vision for the development of British Columbia's labour market between now and 2020. Among other objectives, the *Skills for Growth* strategy affirms government's commitment to a "British Columbia apprenticeship system that meets the short- and long-term needs of employers and communities".

ITA monitors general economic and labour-market conditions and projections, economic and demographic data, and other evolving strategic indicators. Particularly noteworthy in the context of this plan is the comprehensive and trades-specific forecasting of the *BC Trade Occupations Outlook* report and other labour market information tools developed by the Ministry of Regional Economic and Skills Development.

ITA has identified issues and opportunities – including external trends and considerations internal to the training system – likely to significantly impact industry training during the planning period. Contextual summaries appear on the following pages, with information on linkages to performance measures and plans to address.

External Environment

Issues and Opportunities	Overview	Linkages and Plans to Address
Economic Outlook	Real GDP growth in British Columbia was forecast to resume in 2010 and decelerate in 2011, before climbing to a closer-to-historical level of 2.8% in the medium term (Ministry of Finance First Quarterly Report). While numerous uncertainties remain during the gradual recovery, British Columbia's economic outlook is favourable, given anticipated US recovery, growing domestic demand, and rising commodity prices. Although the economic forecast was not revised in the Second Quarterly Report, downgrades in private-sector outlooks and a slowing in the rate of British Columbia's economic recovery was noted.	Key factors with the potential to create a supply-demand imbalance for trades labour are anticipated longer-term economic growth and the certainty of large-scale exits from an aging workforce. Half of the eight measures in this plan relate to levels of training participation and trades labour supply over varying time frames. Collectively, they indicate the degree to which ITA is succeeding in improving the supply-demand balance through a wide range of strategies and tactics, including initiatives for greater engagement in industry training by target groups such as immigrants and Aboriginal people. At the same time, targets have been adjusted to reflect continued current economic uncertainty and the likelihood of relatively gradual resumption of participation growth.
Demographic Outlook	The median age of British Columbia's population continues to increase (1979 - 30.1 years, 2009 - 40.7 years, 2019 forecast - 42.2 years), and the number of youth labour-market entrants is forecast to decline. Replacement of death and retirement-related exits is expected to drive more labour demand over the next decade than economic and population growth. Immigration has emerged as by far the most important source of population and overall labour-force growth (relative to inter-provincial migration and natural increase).[2]	
Trades Labour Supply-Demand Outlook	Demand for trades trainees is beginning to recover after falling significantly during the recession. Demand is expected to continue increasing to 2015, albeit more slowly than it did prior to 2008. During 2009-19, growth in trades labour demand is forecast to outpace growth in trades labour supply, eventually resulting in excess supply of less than 0.2%, unless there is an additional supply of tradespeople. This could mean insufficient labour to meet all demand, particularly in certain regions and trades.[3]	

[2] BC Trade Occupations Outlook, BCStats, August 2010, Ministry of Regional Economic and Skills Development; Overview of BC's Economy and Labour Market: Challenges and Opportunities, Conference Board of Canada, November 2010.

[3] BC Trade Occupations Outlook, BCStats, August 2010, Ministry of Regional Economic and Skills Development.

Internal Environment

Issues and Opportunities	Overview	Linkages and Plans to Address
Targeted Training Delivery	While a supply-demand challenge for trades labour is expected to impact British Columbia as a whole, region- and occupation-specific circumstances will vary considerably. Targeting of training delivery to regional economic needs will be required to maximize return on training investments and employment outcomes for individuals.	Measures of capacity utilization and wait times indicate the extent to which technical training offerings align with demand, while post-training employment indicates the extent to which the supply of certified individuals aligns with demand. Continued monitoring and analysis of labour market information will provide a basis for better targeted regional training capacity planning.
Technical Training Delivery Capacity Maintenance	Recent general declines in training participation and in specific technical training demand may require training providers to shift resources from low utilization programs (which may nevertheless be of economic importance) to maintain higher participation programs. Such reallocations may be difficult to reverse as demand begins to increase again.	Utilization rate targets have been moderated for added flexibility in maintaining programs key to regional economic needs. In light of the medium-term supply-demand outlook, ITA has identified alignment of training capacity as a key imperative during the planning period.
Industry Engagement	Industry training is most effectively provided and expanded with direct industry engagement, primarily in the form of sponsorship of apprentices. Economic conditions have adversely affected sponsorship, and the experience of previous recessions suggests sponsor participation may be slow to recover. Employer participation through sponsorship is key to ensuring that sufficient supplies of tradespeople will exist in future years.	Industry engagement is measured by both sponsorship totals and per cent of participants in ITO-managed programs. An important operational focus during the planning period will be support of ITO efforts to foster strong training cultures in their sectors (based on factors such as understanding the compelling return on investment).
Collaboration and Efficiencies	Collaboration with other provinces and territories, and the federal government, has the potential to create better solutions to common issues, such as occupational performance standards, and greater efficiencies for all involved.	The expected implementation of enhanced occupational performance standards is an example of effective collaboration with ITOs and on an inter-jurisdictional basis. It should lead to assessments with greater opportunities for individuals to demonstrate competency against industry standards. Such alternatives, in turn, respond to the desire of many trainees and challengers to be assessed in ways that better align with the nature of their skills and learning styles and allow for targeted re-assessment if necessary. Such approaches should positively impact attainment of ITA credentials. ITA will conduct an audit of the support needs of trainees, challengers and employers in 2011/12 which will inform system enhancements designed to facilitate successful training completion.
Innovation and Customer Focus	ITA remains committed to innovative training and assessment tools, and approaches with proven potential to improve achievement of trade credentials. A renewed emphasis on understanding and meeting the needs of trainees, challengers, and employers will ensure the training system has a strong and encompassing customer focus.	

PERFORMANCE MANAGEMENT FRAMEWORK

OVERVIEW

This ITA service plan is the third of three that are based on the ITA's August 2009 Strategic Plan (www.itabc.ca/AssetFactory.aspx?did=1209).

The current service plan addresses goals, objectives and measures that are unchanged from the previous two plans. ITA will pursue defined targets over the next three years, and report monthly and annual results (www.itabc.ca/Page62.aspx).

The only variation from earlier service plans is the sequence in which goals are presented. The industry training system's over-arching goal to contribute to maintaining and enhancing British Columbia's prosperity now appears first to emphasize its fundamental importance.

Achieving the targets will reliably show that ITA is carrying out its mission and realizing its vision in the context of the organization's operating environment.

Mission

To lead British Columbia's industry skills training and certification system through collaboration and innovation

Vision

Highly skilled and productive people making British Columbia's industries prosperous and globally competitive

GOAL, MEASURE AND TARGET SELECTIONS

The goals and measures in this service plan focus on key indicators and high-level outcomes closely related to ITA's mandate. The goals are segmented to address industry training's contribution to economic prosperity, as well as primary benefits for apprentices and other trainees, challengers and employers.

Measures relate to both the training and certification aspects of the ITA mandate, including:

- Certification based on completion of an apprenticeship and on demonstration of existing skills and knowledge
- Distinguishing characteristics of British Columbia's industry training system, such as the high degree of industry responsiveness
- Key operational indicators such as training capacity utilization rates

Collectively, the measures are appropriately segmented, weighted and encompassing; and they meet general performance-management criteria, including:

- ITA's capacity to influence results
- Whether results can be feasibly, reliably and quantifiably measured
- How results provide a basis for action planning
- The measures' relationship to ITA performance in areas of interest to customers, service-delivery partners and other stakeholders

Target selection reflects ongoing consultations with stakeholders at all levels, and has been further informed by the recently completed *BC Trade Occupations Outlook* report and other labour market information tools. ITA has re-visited some of its target definition methodologies to ensure their continued relevance under current economic conditions. The more specific rationales for individual targets are elaborated on in subsequent sections.

DATA SOURCES

Results against most measures in this plan are derived in whole or in part from the ITADirectAccess apprentice information management system, whose use is subject to data-entry guidelines and business rules. Data for two measures – registered participants in ITO-managed programs and utilization rates – involve cross-referencing data from other sources and manual calculations subject to defined procedures and accuracy assurances.

Waiting times data originate with technical training providers, and are calculated using a consistent methodology. Post-training employment data originate with BC Stats, whose methodology is based on industry best practices and extensive expertise.

ITA management has confidence in the reliability of the data required to track performance against the measures defined in this plan. More information regarding relevant methodologies is available in notes to ITA's monthly statistics reports (www.itabc.ca/Page62.aspx).

A NOTE ON BENCHMARKING

Direct performance comparisons among Canadian industry training authorities have limited validity due to their diverse training systems and programs, measurement definitions and methodologies, and economic conditions and industry requirements.

This plan, therefore, is informed mainly by internal benchmarking against previous ITA performance. But select external benchmarking comparisons – relating to participation, credentials awarded and pass rates – are disclosed in ITA annual reports. Benchmarking is also used to guide funding allocations and in setting performance expectations for service-delivery partners.

The pending development of national performance measures by the Canadian Council of Directors of Apprenticeship will provide an expanded basis for external benchmarking.

GOALS, STRATEGIES, AND PERFORMANCE MEASURES

GOAL 1: The industry training system makes a vital contribution to British Columbia's prosperity

Objectives:

- The value of all investments made in the system is maximized
- Effective partnerships enable collaboration and innovation among system stakeholders
- The value proposition of the industry training system is widely understood

Strategies:

- Support ITO-led and sector-specific efforts to develop strong training cultures
- Improve the efficiency and prioritization of program standards related work
- Use occupational performance standards to better align training outcomes with industry requirements and to strengthen standards development
- Improve collaboration and leverage resource efficiencies among Red Seal partner jurisdictions
- Provide feedback to training providers to support their delivery of high-quality technical training against ITA program standards (continuous improvement)
- Raise awareness of skilled trades careers, the ITA brand and the value of ITA credentials

Performance Measure	2009/10 Actual	2010/11 Forecast	2011/12 Target	2012/13 Target	2013/14 Target
Capacity Utilization[4]	92.0%	88.5%	88.5%	TBD	TBD
Apprentices Waiting >12 Months for Next Level of Training	3.2%	3.0%	5.0%	5.0%	5.0%

Commentary:

Capacity utilization measures the number of ITA-funded technical training seats actually filled and reflects resource-use efficiency. Apprentice wait times are indicators of barriers to training continuation and completion. Performance on both measures depends on effective collaboration with service-delivery partners. The measures are inter-related, since capacity utilization can be increased by decreasing technical training availability (and likely increasing the wait times for it).

Capacity utilization in 2010/11 is forecast, as was targeted, to decline from higher-than-targeted performance in 2009/10. Continued performance at the 2010/11 level is targeted for 2011/12, given the expectation that training demand will remain unpredictable. This is lower than previously targeted, to limit the likelihood of program cancellations and loss of long-term technical training delivery capacity. Longer-term targets remain to be set based on consultations with training providers and assessment of training forecasts.

Waiting time performance is forecast to remain strong in 2010/11, with an even smaller percentage of apprentices waiting beyond a 12-month threshold. Performance may decline moderately in 2011/12, as the economy recovers and demand for training grows. Modest excess demand for training – consistent with five per cent of apprentices waiting longer than 12 months – is believed to represent optimal resource-use efficiency and a good balance with capacity utilization.

[4] A weighted average of both apprenticeship and foundation program seat utilization, reflecting per cent of ITA-funded seats filled by registered participants.

GOAL 2: Employers and industry have the skilled workers they need to be successful

Objectives:

- Industry drives British Columbia's industry training and certification system
- Industry has access to skilled workers with the right skills at the right time
- ITA-issued credentials are valued because they signify that standardized, industry-defined outcomes have been met

Strategies:

- Leverage ITO-led employer-engagement efforts to increase sponsorship, ensure skill requirements reflect job site needs, and embed a strong training culture in British Columbia workplaces
- Use occupational performance standards to better align competency assessment with industry requirements and to strengthen standards development
- Use labour-market forecasting and industry input to align training-delivery capacity with British Columbia's regional economic needs
- Improve ITA's understanding of critical success factors for trainee and challenger attainment of ITA credentials and of employer/sponsor support requirements

Performance Measure	2009/10 Actual	2010/11 Forecast	2011/12 Target	2012/13 Target	2013/14 Target
% of Registered Participants in ITO-Managed Programs[5]	95%	95%	97%	97%	97%
Total Registered Sponsors	10,789	9,600	10,600	11,000	11,200
Employment in Trades 6-12 Months After Acquiring Certificate of Qualification[6]	99.6%	99.0%	Maintain at 2008/09 baseline of 99.3%	Maintain at 2008/09 baseline of 99.3%	Maintain at 2008/09 baseline of 99.3%

[5] Includes apprentices only.

[6] Data source is annual BC Apprenticeship Student Outcomes Survey of former apprentices who achieved certification in British Columbia (does not include those who achieved certification through challenge processes).

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Commentary:

The percentage of registered participants in ITO-managed programs indicates the scope to which industry has assumed and retains responsibility for occupation-specific training standards and service delivery. While forecast to hold steady in 2010/11, it is expected that the percentage will then increase moderately. Opportunities for further improvement are limited, as the ITOs have already assumed responsibility for almost all of the current trades occupations that align with their responsibilities and mandates.

The number of sponsors indicates the availability of the work-based training that apprentices require in order to earn certification. A larger-than-expected decline is forecast for 2010/11. This is likely due to the impact of economic conditions and resulting employment reductions. Resumed growth continues to be targeted for 2011/12 and beyond.

Post-certification employment is an outcomes measure of the alignment between the skills acquired through industry training and employer requirements. Performance on this measure has held up well despite economic conditions, and continuation of performance at least consistent with the strong baseline of 2008/09 (99.3%) is targeted going forward.

GOAL 3: Individuals are recognized for their skills and knowledge and have opportunities to develop to their full potential

Objectives:

- Training and assessment are accessible, flexible and responsive to individual needs
- ITA credentials are valued because they enable employment, mobility and progression

Strategies:

- Use labour-market forecasting and industry input to align training-delivery capacity with regional economic needs of the province
- Focus on enhancing training participation of women, Aboriginals, immigrants and youth
- Expand and integrate use of essential skills assessment to support training entry and progression
- Leverage occupational performance standards to expand availability and use of alternative assessment models to attain ITA credentials
- Translate the findings of research into trainee and challenger "supports for success" into a strategy that enhances completion rates
- Position skilled trades as attractive and viable career options

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Performance Measure	2009/10 Actual	2010/11 Forecast	2011/12 Target	2012/13 Target	2013/14 Target
Total Registered Training Participants[7]	41,803	36,000	37,000	38,000	39,000
Registered Challengers[8]	1,407	1,400	1,500	1,600	1,700
Certificates of Qualification Issued[9]	7,179	7,000	7,000	7,500	8,000

Commentary:

Total registered training participants is an indicator of availability of certified individuals for future years. Parallel to the situation with registered sponsors, a larger-than-expected decline is forecast for 2010/11, likely due to the impact of economic conditions. This is consistent with observed impacts in other Canadian jurisdictions and after previous recessions. It is anticipated that such continued impacts in 2011/12 will be more than offset by increased ITO activity to encourage employer sponsorship, with further growth in subsequent years.

Registered challengers is an additional and more immediate indicator of availability of certified individuals. No target was set for 2010/11, but performance was equivalent to the 2009/10 baseline. Challenge-based credentials are obtained based on previous experience rather than current employment, and employment interruption may be a motivating factor. Further growth is targeted going forward, in part because of greater availability of non exam based assessment and processes that facilitate challenges.

Certificates issued is a direct measure of availability of newly certified individuals. For 2010/11, this is forecast to be on-target, after above-target performance in the previous year. Further growth is targeted in 2012/13 and 2013/14, based on recent relatively stable demand for higher levels of training (in contrast to that for lower levels), and on greater availability of progressive or multiple credentials within individual occupations. In light of recent economic trends and current labour market forecasts, the scale of targeted growth is less than it was prior to the recession.

[7] Includes both apprenticeship (regular apprentices and youth apprenticeship-program participants) and foundation program or pre-apprenticeship participants.

[8] Number of applicants accepted to undergo an assessment of their existing skills as a basis for certification.

[9] Number of final certifications issued to both those who have participated in a formal apprenticeship program and those who have challenged for the qualification based on existing skills.

SHAREHOLDER'S LETTER OF EXPECTATIONS

The following table links ITA strategies and related actions to direction from government in the most recent Shareholder's Letter of Expectations, executed by the Minister of Regional Economic and Skills Development and the Chair of ITA's board.

Government Direction	ITA Response
Continue to support pan-Canadian initiatives such as the Occupational Performance Standards project to strengthen the national Red Seal program; identify opportunities for further efficiencies among provinces and territories	• ITA continues to lead national development of Occupational Performance Standards for Red Seal Trades, in part to facilitate alternative assessment • By the end of 2011/12 standards validation in two trades, and testing of assessments in five jurisdictions, will be completed • Approval of a framework for the use of Occupational Performance Standards will be requested from the Canadian Council of Directors of Apprenticeship in June 2011; decisions re scope of broader implementation remain pending • Development of standardized national curricula is being explored, building from existing Red Seal Interprovincial Guides • A recently established inter-jurisdictional network will share and leverage best practices in apprenticeship-related communication (awareness, recruitment)
Work with ITOs, industry and other stakeholders to develop and implement an action plan to further expand employer participation in industry training including sponsorship of apprentices by Spring, 2011	• Industry engagement activities will be a defined component of ITA-ITO partnership agreements for 2011/12 • ITOs will be responsible for defining intended engagement approaches for their industry sectors, with ITA developing a complementary system-wide approach – both of which will be compiled into a strategy document
Continue to address the Auditor General's recommendations (from the November 2008 Report, *A Major Renovation: Trades Training in British Columbia*) by developing a comprehensive Continuous Improvement Framework by October, 2011	• Responses to all of the Auditor General's recommendations have been substantially or fully implemented • Work will continue on refinement of a Continuous Improvement Framework, with a focus on technical training and including use of results based feedback loops
Review the current level of support, provided by ITA, ITOs, post-secondary institutions and others, for employers and apprentices and develop a plan of action to address any gaps by November, 2011	• An assessment will be conducted by September 2011, to gauge the sufficiency of supports for participants in the industry training system as currently structured • Action planning will focus on gaps and needs for additional support beyond pending actions such as full implementation of the ITADirectAccess information management system
Support carbon neutrality	• ITA will reduce travel requirements by leveraging audio and video conferencing, and maintain use of 100 per cent recycled paper and lower-carbon information technology infrastructure

SUMMARY FINANCIAL OUTLOOK

($000's)	2009/10 Actual	2010/11 (forecast)	2011/12 (forecast)	2012/13 (forecast)	2013/14 (forecast)
REVENUE					
Contributions from the Province [1]	112,812	110,471	107,275	102,439	102,136
Contributions from the Government of Canada	97	–	300	50	50
Other Income	865	501	1,012	1,082	1,082
Total Revenue	**113,774**	**110,972**	**108,587**	**103,571**	**103,268**
EXPENDITURES					
Standards Development	1,574	3,003	2,746	2,746	2,746
Industry Engagement: Non-standards work	3,403	3,399	3,399	3,399	3,399
Assessment & Certification	1,448	2,798	2,434	2,457	2,497
Training Delivery [2]	82,272	83,199	78,522	74,272	74,176
Labour Supply Initiatives (including youth programs)	13,511	10,337	11,582	11,197	11,040
ITA Core Expenditures	7,847	7,666	9,244	8,840	8,630
Amortization	458	570	660	660	780
Transfer of Mobile Trainer	1,119	–	–	–	–
Total Expenditures	**111,632**	**110,972**	**108,587**	**103,571**	**103,268**
Transfer to Capital Reserve	**2,142**	**0**	**0**	**0**	**0**
[1] **Contributions from the Province*:**					
Ministry – General Funding	94,444	94,444	94,444	94,444	94,444
Ministries – Other Funding and Grants	17,228	15,729	12,533	7,788	7,692
Recognition of Deferred Contributions	1,140	298	298	207	–
	112,812	110,471	107,275	102,439	102,136

[2] Includes apprenticeship and foundation programs, E-PPRENTICE development and delivery, and QP Curriculum Development

* The 2012/13 and 2013/14 forecasts are provided for planning purposes only, and are subject to annual approval of the legislature.

The above financial information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP)

KEY ASSUMPTIONS

The following are key among the assumptions that inform the summary financial outlook. Attendant risks and sensitivities could compromise the ITA's ability to achieve targeted performance within anticipated budgetary resources. Related information is provided in the Strategic Context section (see page 7).

Assumptions	Commentary
The recent drop in training demand is recession-related and recovery will begin in the short term, although medium-term demand will remain more moderate than pre-recession	This assumption results in a need: i) to avoid excess loss of training-delivery capacity in the short term, and the potentially high costs of re-establishing it; and conversely ii) to avoid creating medium-term delivery capacity that exceeds forecast requirements
The impact of training-delivery spending can be increased by more precisely targeting it to region-and occupation-specific needs	ITA is leveraging the potential benefits of more targeted delivery based on recently improved access to labour-market forecasting; this mitigates the inherent risk of impairing regional and provincial economic development through inaccurate targeting
Operational benefits are achievable based on inter-jurisdictional collaboration	Plans to move ahead with innovations such as occupational performance standards and expanded alternative assessment models are premised on leveraging inter-jurisdictional efforts and resource efficiencies among Red Seal partner jurisdictions, the potential for which ITA perceives as high
Certification can be increased through more effective assessment and recognition of existing skills	ITA is improving the effectiveness of recognition of existing skills most particularly through increased availability of alternative assessment models, and other improvements to facilitate use of the challenge process; degree of uptake by prospective challengers remains to be confirmed
Employer engagement, most particularly in the form of sponsorship provision, can be increased	ITA is working to ensure resumed growth in sponsorship, in part through support for and defined expectations relating to ITO recruitment efforts; the impact of economic conditions, however, remains a risk factor

FUTURE FINANCIAL OUTLOOK

ITA's 2011/12 expenditures for training delivery have been adjusted, based on a thorough analysis of provincial labour market demand for trades occupations over the next three to five years. The budgeted amount is believed to be an appropriate training delivery investment, and will enable ITA to strike a balance between the need for short-term training capacity maintenance and the expectation of relatively moderate medium-term demand.

The ITA will continue to monitor labour market trends, and will work with government to balance training delivery expenditures with projected labour market demand in future years, and with ITOs to align them with regional economic needs.

ITA will also continue to receive separate Labour Market Agreement funding, during the planning period. These funds will continue to support labour-supply initiatives, and innovations such as alternative assessment.

Minor budgetary re-allocations will be made within the smaller portion of the budget not accounted for by training delivery. This will improve the alignment of spending with strategies defined in this plan relating to training quality, stakeholder engagement, promotion of trades careers and ITA credentials, and the degree of support available to trainees and employers.

In light of the expectation regarding medium-term training demand – and subject to the risks and sensitivities identified – ITA believes forecasted financial resources will be sufficient to achieve the targeted performance described in this plan.

The forecasts for 2012/13 and 2013/14 are provided for planning purposes only and are subject to change based on legislative approval on an annual basis.

Pursuant to direction from the Ministry of Finance, and effective April 1, 2011, ITA will transition from use of Canadian Not-for-Profit to Public Sector Accounting Board (PSAB) accounting guidelines.

GLOSSARY

Alternative Assessment – Any of a range of standards-based means of assessing competency – such as interviews and observation of the practical application of defined skills – which are alternatives to written examinations.

Apprentice – A person who registers with the Industry Training Authority and pursues an industry training program – combining work-based training with technical or institution-based training – with the intent of obtaining an industry training credential.

BC Reporting Principles – A set of principles – endorsed by the government, legislature and Auditor General of British Columbia – intended to enhance the quality of information disclosed by British Columbia Crown agencies in their annual reports.

Canadian Council of Directors of Apprenticeship (CCDA) – An organization comprised of all provincial and territorial directors of apprenticeship and representatives of the federal government, which is tasked with management of the Interprovincial Red Seal program.

Challengers/Challenge Process – Individuals who have not participated in a formal apprenticeship program in Canada, but who have been assessed and approved to write the final certification exam based on their prior experience and existing skills.

Credential/Certification – Recognition that an individual has met the requirement of an industry training program either through participation in a formal apprenticeship program or a challenge process. In British Columbia, credentials take the form of provincial certificates of qualification (often issued with interprovincial or Red Seal endorsements), certificates of apprenticeship, and certificates of completion (foundation programs).

Foundation Programs – Pre-apprenticeship and primarily in-school based programs (including those formerly known as Entry Level Trades Training Programs) directly aligned with apprenticeship programs, and providing an entry point by which participants can earn credit for level one technical training without the need for a sponsor who has committed to provide work-based training.

Industry Training Organization (ITO) – An industry-directed, not-for-profit legal entity with responsibility for developing and managing industry training programs province-wide within a particular economic sector (e.g. horticulture, residential construction, automotive repair, transportation, ICI construction).

Industry Training Program – An occupation specific program involving defined competencies and standards, assessment tools and a credential to be awarded upon successful completion. Includes both apprenticeship and foundation programs.

ITADirectAccess – An information management system, used by the Industry Training Authority and its service-delivery partners to track individual progression through training and assessment, and system-wide performance and outcomes.

Labour Market Agreement – Bi-lateral agreements under which the federal government provides funding (pursuant to the *Employment Insurance Act*) for specific labour market initiatives which the province then assumes responsibility to design and deliver.

Occupational Performance Standards – Precise documentation of the level of workplace performance, based on defined criteria, expected by industry of a competent individual within a particular occupation.

Red Seal – A national program providing a standardized endorsement for specific occupations/trades and allowing for greater labour mobility. Upon successful completion of a Red Seal exam, a Red Seal endorsement is added to the provincial credential.

Sponsor – A qualified individual or other legal entity (often, but not necessarily, an employer) that commits to ensuring that an apprentice receives work-based training relevant to his or her industry training program, and under the direction of one or more qualified individuals.

Technical Training – The institution-based (in-class or distance education) component of an industry training program that provides a combination of theoretical knowledge and practical skills to complement work-based training.

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